GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:725
ANSWERED ON:22.11.2001
RAKESH MOHAN COMMITTEE REPORT
ASHOK NAMDEORAO MOHOL;GADDE RAMAMOHAN;MOHAMMED SHAHABUDDIN;RADHA MOHAN SINGH;RAGHUVANSH PRASAD SINGH;RAJO SINGH;RAMCHANDRA PASWAN;RAMSHETH THAKUR;SHIVAJI MANE

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways have received the Rakesh Mohan Committee Report on restructuring of Railways;

(b) if so, the details thereof;

(c) whether the railways have constituted a committee to examine the said Committee Report;

(d) if so, whether the said Committee has submitted its report to the railways;

(e) if so, the details thereof;

(f) whether the railways had organised any workshop to find out the best interest of Railways;

(g) if so, the details thereof; and

(h) the details of the recommendations accepted by the Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS AND MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI O. RAJAGOPAL)

(a) to (h): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF LOK SABHA UNSTARRED QUESTION NO. 725 BY DR RAGHUVANSH PRASAD SINGH, SHRI MOHD. SHAHABUDDIN, SHRI RAJO SINGH, SHRI RADHAMOHAN SINGH, SHRI RAMCHANDRA PASWAN, SHRI ASHOK N. MOHOL, SHRI RAMSHETH THAKUR, SHRI RAM MOHAN GADDE, SHRI SHIVAJI MANE, SHRI M.V.V.S. MURTHY AND SHRI A. VENKATESH NAIK TO BE ANSWERED ON 22.11.2001 REGARDING RAKESH MOHAN COMMITTEE REPORT

(a) to (h): The Railway Expert Group headed by Dr. Rakesh Mohan has submitted its report on 7/8/2001. The Report contained the following Major Recommendations:

1. Institutional separation of roles into policy, regulatory and management functions. This will mean:

i. Policy makers are limited for setting policy (and paying for what they ask for). The Government of India will be in charge of setting policy direction.

ii. Provide operational autonomy and insulate Indian Railways by corporatising it into " Indian Railways Corporation" (IRC). It would be governed by a reconstituted Indian Railways Executive Board.

iii. Set up an Indian Rail Regulatory Authority to regulate IRC's activities as a monopoly supplier of rail services particularly related to tariff setting.

2. Ex ante acceptance and commitment by the Government and Indian Railways that Indian Railways will operate on commercial lines are the necessary conditions for the reorganisation to be successful exercise. Non-commercial activities mandated by the government will be clearly demonstrated and Indian Railways appropriately compensated for such activities.

3. In view of financial crisis Indian Railways to pursue the strategic High Growth pattern for financial recovery.

4. Exemption from taxation - excise, sales tax etc. for the period of transition, say 5 − 7 years.

5. Set up a Social Safety net to take care of surplus labour.

6 Restructuring of financial accounts of Indian Railways in accordance with the Company's Act, 1956.

7. Spinning off non-core activities.

8. Rebalancing of tariffs to eliminate cross subsidisation.

A Committee of senior officers of Railway Board has been constituted to study various recommendations made in the Report. The Committee is expected to submit its Report soon. Further action will be initiated on receipt of the report of this Committee.

A Seminar was organised at Railway Staff College, Vadodara, on 15th and 16th September, 2001 to initiate debate and discussion on the recommendations of the Report. Participants in the Seminar included Minister for Railways, Shri Nitish Kumar, Minister of State for Railways, Shri. O. Rajagopal, Chairman and Members of the Railway Board, senior andmiddle managers of Railways, members of the Railway Expert Group, representatives of the Officers' and Staffs' Associations and Federations and some retired Members of the Railway Board. Presentations were made by the Members of the ExpertGroup on each chapter of the Report. Free andfrank discussions were held on the Report by providing an opportunity to all the participants to air their views. Members of the Press and Media were also present.